Director's Performance Improvement Program Update
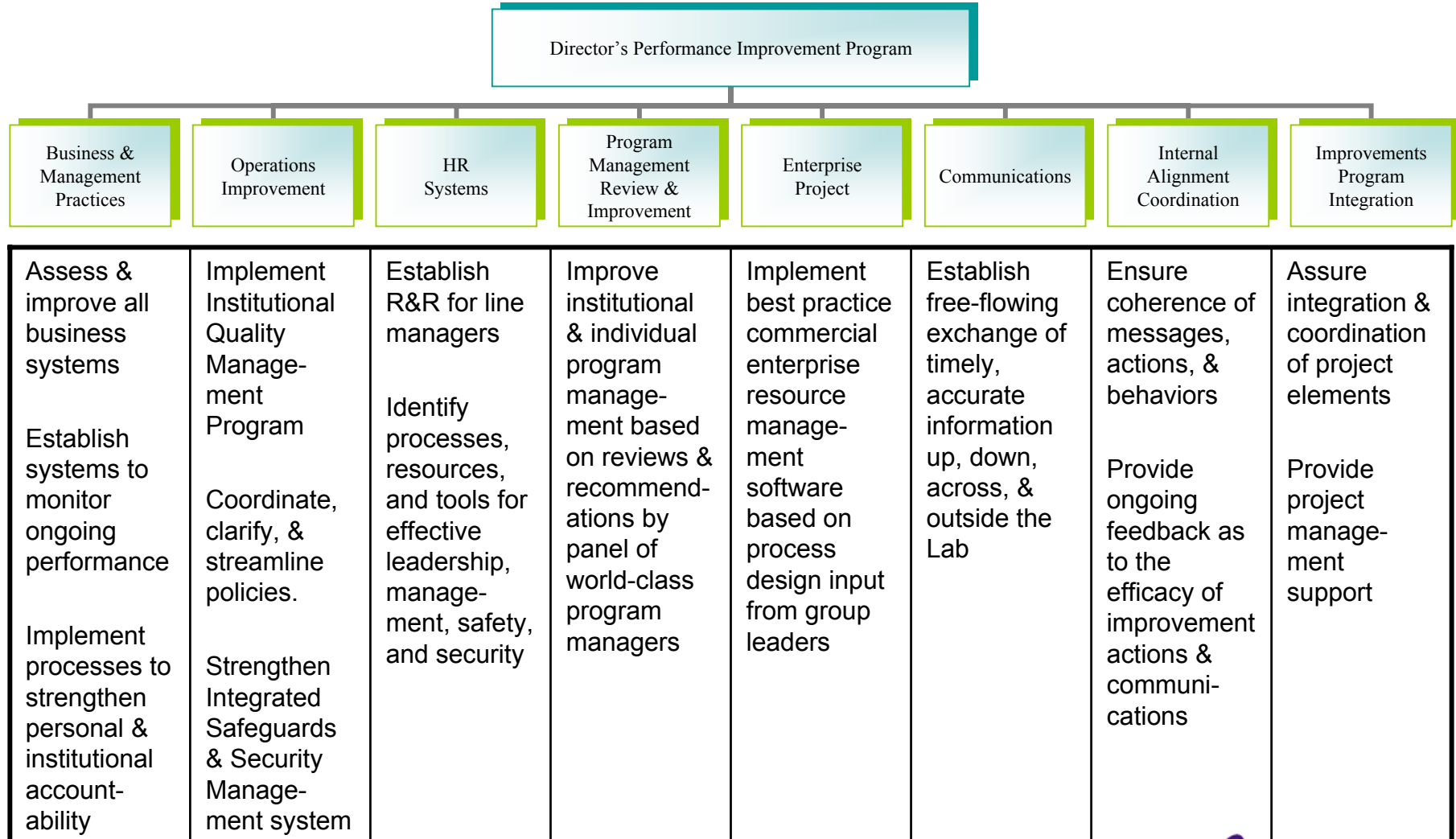
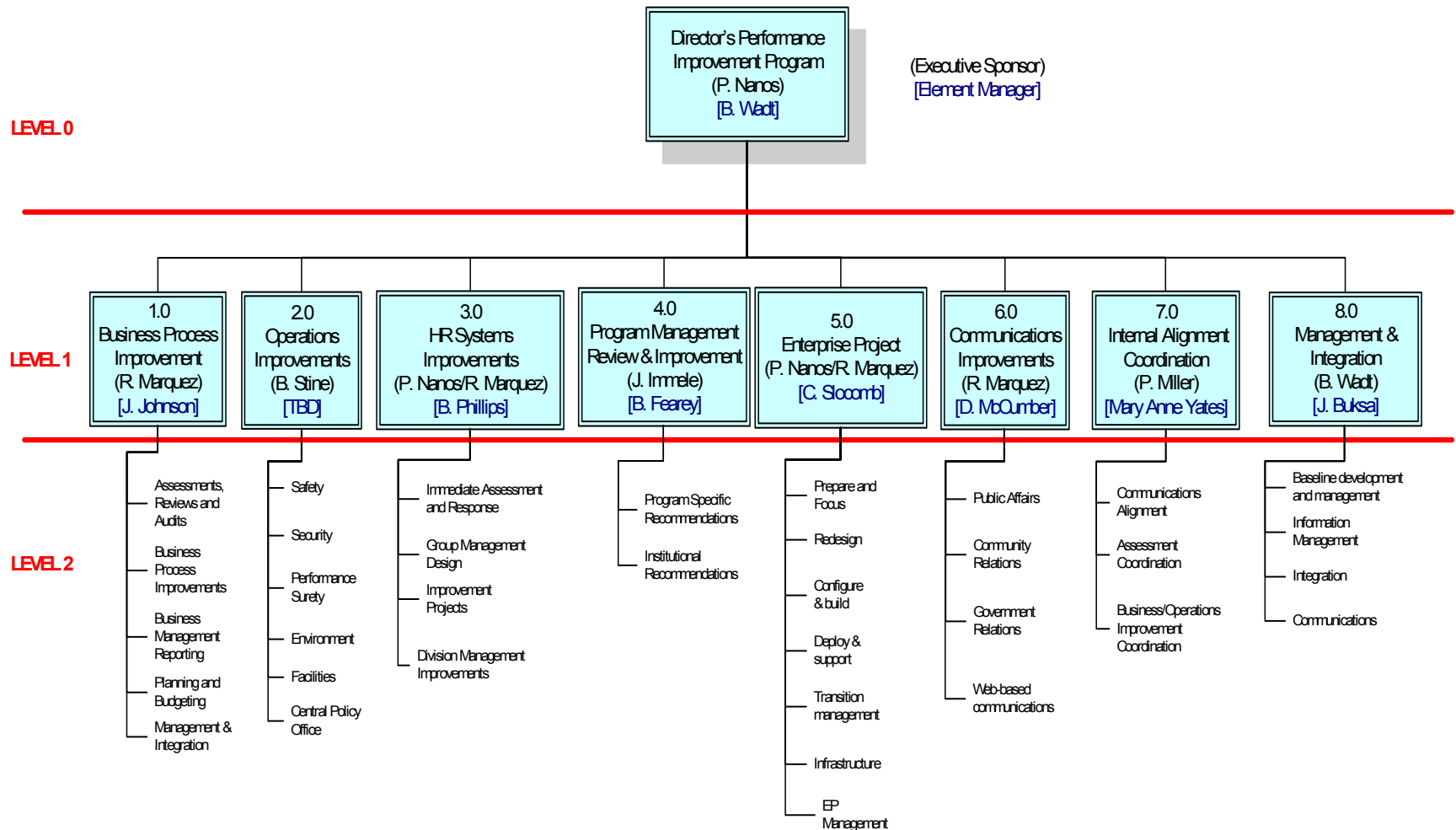## Presentation to LIM

March 18, 2003

Bill Wadt

Problem: loss of trust

- Incidents of improper stewardship of assets

- Inconsistent delivery on programmatic commitments

- Lack of follow through on corrective actions across the institution

- Inadequate internal (two-way) and external communications

Launched a multi-faceted program to address root causes

```
                    ┌─────────────────────────────────────────┐
                    │ Director's Performance Improvement Program │
                    └─────────────────────────────────────────┘
```

Business & Management Practices	Operations Improvement	HR Systems	Program Management Review & Improvement	Enterprise Project	Communications	Internal Alignment Coordination	Improvements Program Integration
Assess & improve all business systems

Establish systems to monitor ongoing performance

Implement processes to strengthen personal & institutional account-ability | Implement Institutional Quality Manage-ment Program

Coordinate, clarify, & streamline policies.

Strengthen Integrated Safeguards & Security Manage-ment system | Establish R&R for line managers

Identify processes, resources, and tools for effective leadership, manage-ment, safety, and security | Improve institutional & individual program manage-ment based on reviews & recommend-ations by panel of world-class program managers | Implement best practice commercial enterprise resource manage-ment software based on process design input from group leaders | Establish free-flowing exchange of timely, accurate information up, down, across, & outside the Lab | Ensure coherence of messages, actions, & behaviors

Provide ongoing feedback as to the efficacy of improvement actions & communi-cations | Assure integration & coordination of project elements

Provide project manage-ment support |

DPIP chartered to integrate & manage the interfaces among improvement projects

```
                          Director's Performance
                          Improvement Program
                              (P. Nanos)              (Executive Sponsor)
                               [B. Wadt]              [Element Manager]
LEVEL 0
```

LEVEL 1

1.0 Business Process Improvement (R. Marquez) [J. Johnson]	2.0 Operations Improvements (B. Stine) [TBD]	3.0 HR Systems Improvements (P. Nanos/R. Marquez) [B. Phillips]	4.0 Program Management Review & Improvement (J. Immele) [B. Fearey]	5.0 Enterprise Project (P. Nanos/R. Marquez) [C. Slocomb]	6.0 Communications Improvements (R. Marquez) [D. McCumber]	7.0 Internal Alignment Coordination (P. Miller) [Mary Anne Yates]	8.0 Management & Integration (B. Wadt) [J. Buksa]

LEVEL 2

Assessments, Reviews and Audits	Safety	Immediate Assessment and Response	Program Specific Recommendations	Prepare and Focus	Public Affairs	Communications Alignment	Baseline development and management
Business Process Improvements	Security	Group Management Design	Institutional Recommendations	Redesign	Community Relations	Assessment Coordination	Information Management
Business Management Reporting	Performance Surety	Improvement Projects		Configure & build	Government Relations	Business/Operations Improvement Coordination	Integration
Planning and Budgeting	Environment	Division Management Improvements		Deploy & support	Web-based communications		Communications
Management & Integration	Facilities			Transition management			
	Central Policy Office			Infrastructure			
				EP Management			

Overall two-year vision for Lab

- Fully restore confidence in our ability to keep national security science #1
  - By providing the best & brightest
  - ☛The *best* facilities
  - ☛The *best management systems*
- Demonstrate our trustworthiness through
  - Our competence: ability to manage
  - Our integrity: openness & forthright approach to problems

Keeping national security science #1

- Outstanding programmatic & scientific performance
  - Manage cost, scope, schedule
  - Promote innovation
  - Sustain capability to respond to future challenges
- Strong partnerships with customers
- Effective collaboration with LLNL and together with SNL
- Strong, open community relations

Key metric: Appendix F performance

Best & brightest

- Employees treated with respect & fairness
  - Equity in hiring & career opportunities
  - Equity in pay
  - Safe, secure work environment
- Clear, written expectations
  - Roles, responsibilities, authorities & accountabilities
  - Policies & procedures reflect core values
  - Behaviors: code of ethics
- Everyone measures how s/he is doing
  - Compare to the best
- Open, two-way communications
  - Effective Ombuds & complaint resolution processes

Key metrics: employee satisfaction, recruitment & turnover

NNSA · Los Alamos

Best management systems

- Effective, responsive business processes
  - Best practices in ERP
  - Strong internal controls
- Integrated program management
  - Trained project managers with effective tools
  - System to manage projects strategically
  - Rigorous reviews of major programs by Director
- Aggressive safety, security & surety programs
  - Effective issues management & corrective actions
- Systematic continuous improvement

Key metric: contractor assurance system results

Best facilities

- Strategic plan for critical facilities with resources aligned to maintain compliance

- Integrated facility management to reduce unit costs

- Accelerated facility & infrastructure revitalization through innovative options
  - Third-party financing, etc.

Key metric: performance against TYCSP

There are natural phases to achieving our vision

Phase I — Phase II — Phase III

Performance (vertical axis)

Phase I: Lay groundwork for improving processes; Improve performance with existing systems

Phase II: Lay groundwork for improving capabilities; Improved processes

Phase III: Improved capabilities

Timeline: 1/6/03 — 6/30/03 — 3/31/04 — 3/31/05
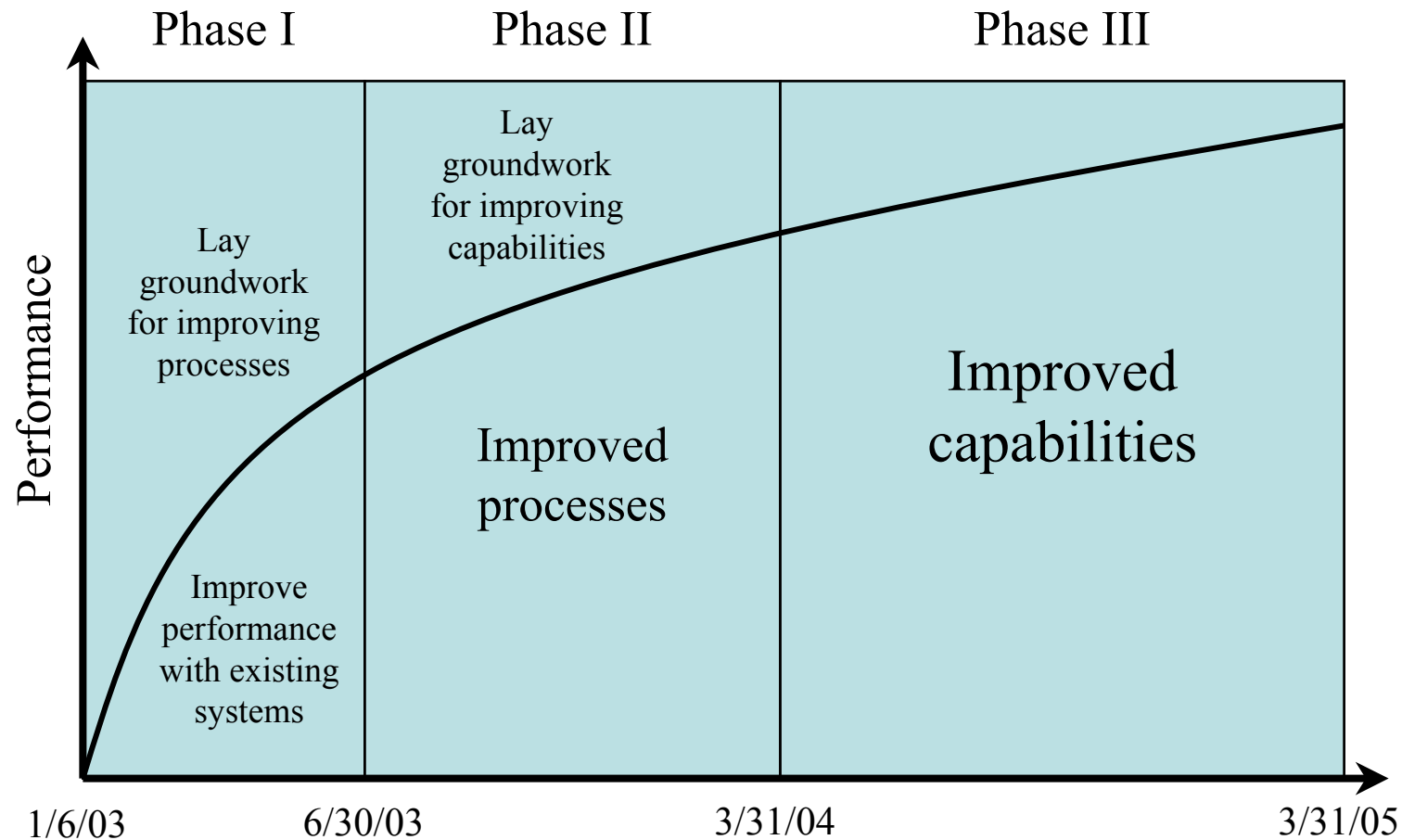
By the end of Phase I

- We will have enough demonstrated improvements to persuade our stakeholders that LANL has a compelling path forward to restore trust
  - ✓ Clear understanding of the issues
  - ✓ Formal project plan for improvement
    - Integrated program structure to manage interfaces (DPIP)
    - Weekly project updates
    - Web page to keep employees informed (Path Forward)

Primary Phase I objectives

- Improved business performance through
  - Comprehensive assessment
  - Clear performance expectations & tracking
  - Improved discipline & accountability
  - Quick fixes to processes & resources
- Completed wall-to-wall inventory
- Defined group and division leader R&Rs and requisite needs
- Established central policy office
- Completed user-driven business process re-engineering for ERP incorporation

Primary Phase I objectives (cont.)

- Demonstrated open, 2-way communications by Lab leadership
  - Procedures for timely, accurate communications
- Initiated improved performance surety program for nuclear operations
  - Measurable improvement in institutional issues management & corrective action process
- Approved action plan to improve Lab program management system
  - Based on external expert reviews of major programs

Why will this be different?

- Managing change as a project
- Focusing on systems, processes, & behaviors
  - Structural changes will follow
- Engaging the people who do the work
  - Focusing on how work is done
  - Providing people the tools & resources they need to succeed – then holding them accountable
- Sustained open, two-way communication
  - Value people who identify problems / improvements